

# Partnering with Card



## FORUM 2015

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# SMALL PURCHASE CHARGE CARD (SPCC) OVERVIEW

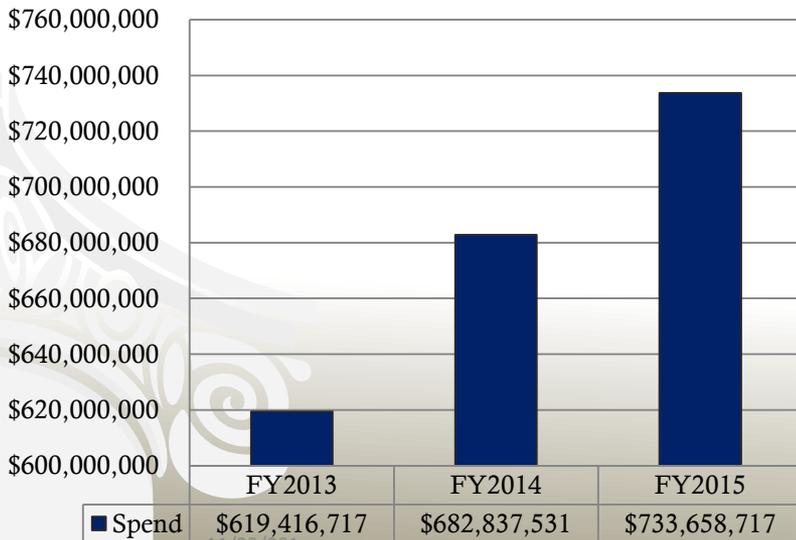


# Fiscal Year Comparison

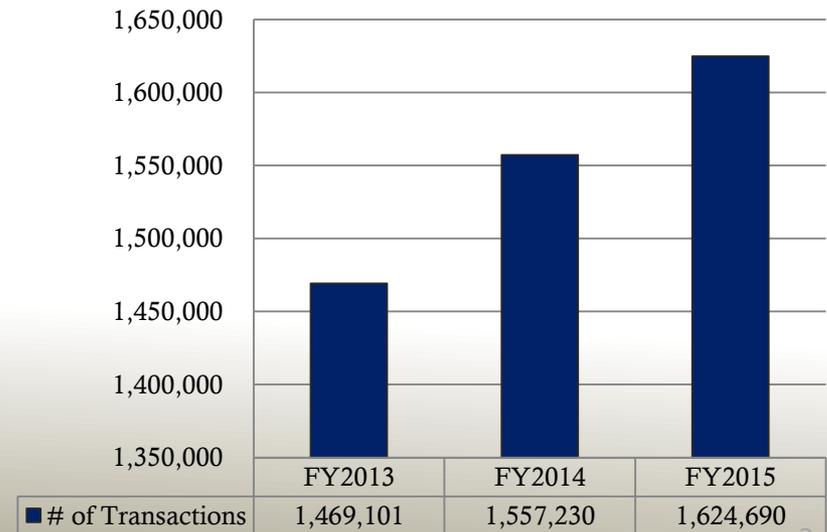


	FY2013	FY2014	FY2015
<b>Total Spend</b>	<b>\$619,416,717</b>	<b>\$682,837,531</b>	<b>\$733,658,717</b>
<b>Total # of Transactions</b>	<b>1,469,101</b>	<b>1,557,230</b>	<b>1,624,690</b>
<b>Total # of Cards</b>	<b>26,229</b>	<b>27,643</b>	<b>28,006</b>

**Spend**



**# of Transactions**



# Low cost payment processing



Checks

\$90



Cash



P-Card

\$20

## 77% decrease

# REDUCE

processing cost

Research has indicated that moving to card payments reduces the average processing cost of a single requisition from \$90.20 to \$20.38\*.



### Other benefits:

Automation of the payment process.

Minimizes human intervention in the process, leading to reduced FTE time and cost.

Automation of the expense reporting and reconciliation process.

\*Source: 2014 Purchasing card Benchmark Survey results, RPMG Research Corporation

# Purchasing Card drives savings



Cost per transaction



Cycle time



Process simplification



Traditional paper-based PO format

**\$90.20**  
per transaction

**11.4**  
days

**2.3**  
manager approvals

Plastic purchasing card

**\$20.38**  
per transaction

**3.4**  
days

**1.3**  
manager approvals

**SAVINGS**

**\$69.82**  
per transaction

**8.0**  
days

**1**  
manager approval

# Quiz - Cost Savings



**Total # of Transactions**      **1,624,690**

**Savings Per Transaction**      **\$70\***

**Total Cost Savings**      **\$113,728,300**

\*Source: 2014 Purchasing card Benchmark Survey results, RPMG Research Corporation

# New Contract and Participants



## ■ **New Contract Awarded to Bank of America**

- **Contract Terms**
  - Four Years, three Two Year Renewals
  - Higher Rebate

## ■ **Contract Participants**

- **State Agencies**
  - Purchase Cards, Travel Cards, and ePayables
- **Political Subs**
  - 132 participants on the contract
  - Purchase Cards, Travel Cards, and ePayables

# PARTNERING WITH VENDORS



# Vendors



**Suppliers are paid within 48-72 hours of a posted transaction**

## Payment Methods



# Driving supplier value



Card acceptance can improve a supplier's bottom line in several ways:

Cash Flow	Process Ease	Buyer Preference
<ul style="list-style-type: none"><li>• Quick Payment</li><li>• Guaranteed payment *</li><li>• Reduction in collections and bad debts</li><li>• Payment automation can reduce billing and reconciliation manpower costs</li></ul> <p>* subject to dispute resolution rules</p>	<ul style="list-style-type: none"><li>• Eliminate manual payment processing</li><li>• Eliminate reconciliation due to payment line item detail</li></ul>	<ul style="list-style-type: none"><li>• 2014 RPMG study shows buyers increased sales with card acceptors</li><li>• 2013 First Annapolis study showed up to 80% of buyers surveyed said card acceptance was important-very important in their supplier selection</li><li>• Employees receive goods/services faster</li></ul>



# Balanced benefits to both Buyers and Suppliers

## Buyers

**Ease of Payments**

**Improved Working Capital**

**Develop Payment Controls & Processes**

**Robust Data/Reporting**

## Value Propositions



## Suppliers

**Improved Working Capital**

**Reduced processing times**

**Improved Buyer Loyalty**

**Improved remittance data**

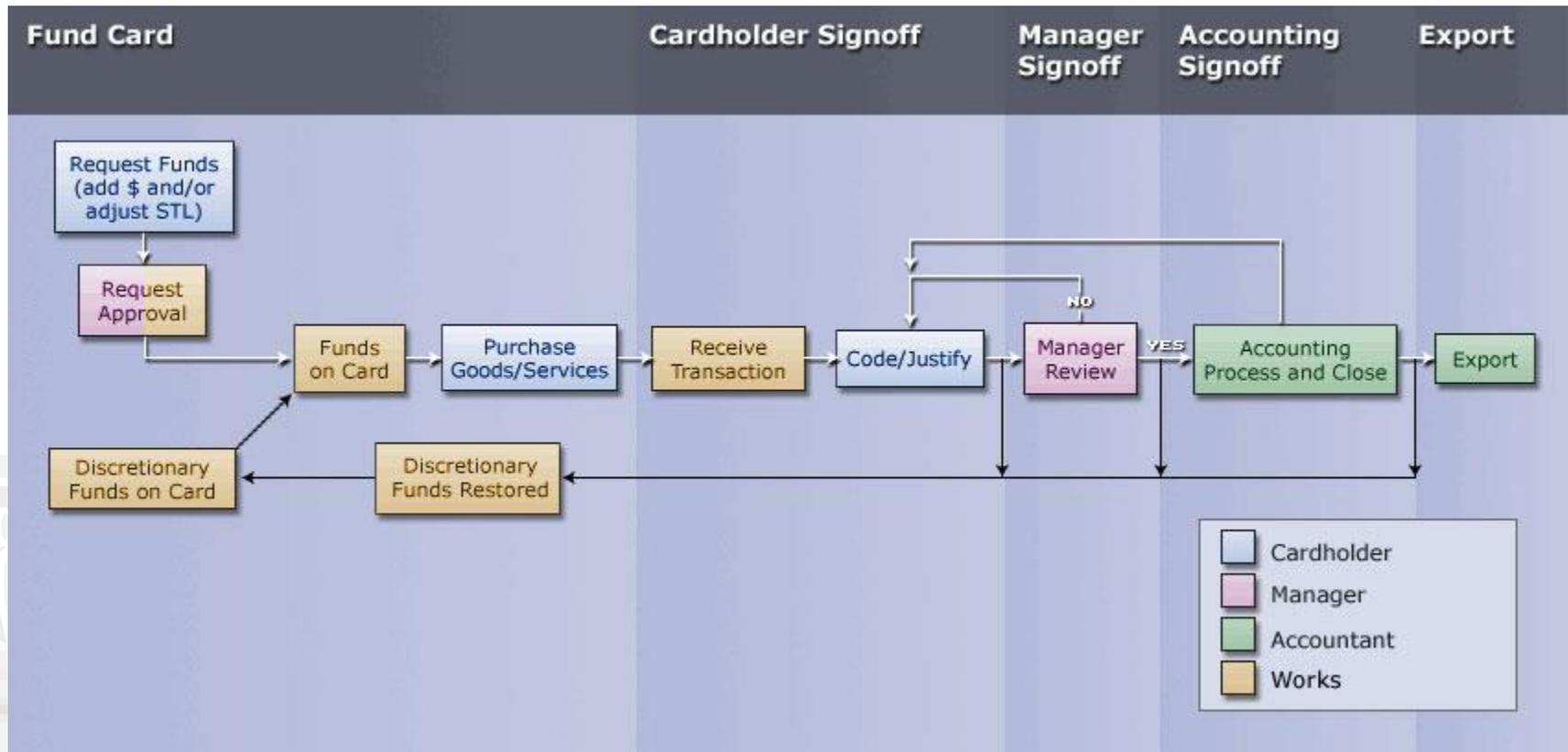
# PARTNERING WITH ACCOUNTING & ACCOUNTS PAYABLE



# Accounting



1. Set up Works Online Reconciliation
2. Run Works Report for your GL entries in CARDINAL/CARS



Pre-purchase Approval Control

Post Approval Control

# Accounts Payable



**ACCOUNTS  
PAYABLE**

Pay Using



# PARTNERING WITH THE DEPARTMENT OF ACCOUNTS



# How can DOA help?



Gold Card



Utilization



Benchmarking

# Who is at DOA



## Charge Card Administration (CCA) Team

- Amanda Morris, Assistant Director
- Kristen Bolden, Lead Card Analyst
- Amy Butler, ePayables Analyst
- Jamie Spears, Card Analyst
- Alex Link, Card Analyst
- 804-786-0874
- [cca@doa.virginia.gov](mailto:cca@doa.virginia.gov)



# PARTNERING WITH BANK OF AMERICA



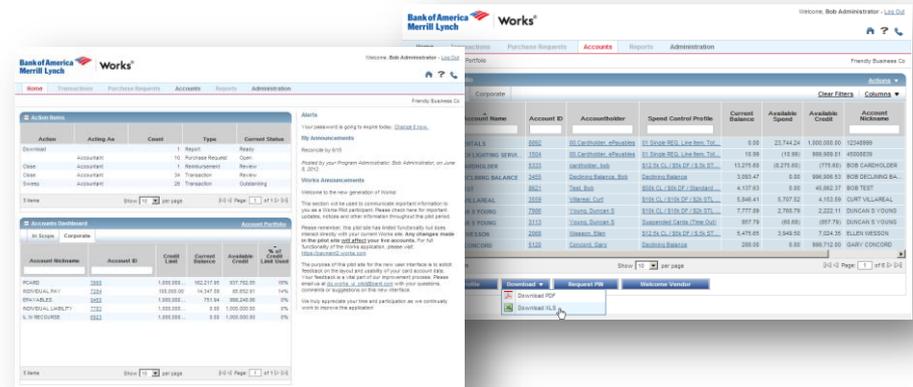
# Works innovation



## Innovation points

- Simplified user interface
- Exact authorization override
- Secure email
- Push payments
- Receipts imaging
- Push file delivery
- Declining balance cards

We continue to invest to create **value** and offer our clients **flexible, innovative solutions**



**ROBUST TECHNOLOGY**

**TIGHTER CONTROLS**

**GREATER AUTO-RECONCILIATION**

**ENHANCED SECURITY**

**SIMPLIFIED NAVIGATION**

# Agencies Benchmark Analysis



The “2014 Procurement Card Survey Results” by RPMG Research Corporation:

	<b>% Employees with Cards</b>	<b>Average Monthly Spend</b>	<b>Average Monthly Transactions Per Card</b>	<b>Average Spend Per Transaction</b>	<b>Average Monthly Spend Per Card</b>
Large State Agency -more than 30,000 employees	23.40%	\$19,651,470	3.67	\$336	\$1,233
Mid Size State Agency -between 3,000-30,000 employees	17.80%	\$2,631,596	3.77	\$316	\$1,191
Small State Agency - less than 3,000 employees	18.70%	\$181,206	3.74	\$293	\$1,097
Large University -5,000 or more employees	17.40%	\$3,619,443	5.89	\$300	\$1,766
Small University -less than 5,000 employees	24.40%	\$742,086	6.03	\$257	\$1,551

# Leading the industry in preventing card fraud



## Employee misuse insurance

Available in most markets regardless of liability

## Program control and spend monitoring

Exception reporting based on MCC code

## PCI compliant

Meets the Payment Card Industry (PCI) data security standards

**Comprehensive** data privacy policies and agreements

## Proactive outreach

- ✓ Coordinated reissue with program administrators
- ✓ Proactive messaging informing cardholder of compromise reissue
- ✓ Email contact to cardholder

### Identification

Identify points of compromise through internal and payment network processes

### Analysis

- Analyze identified accounts
- Data type exposed
- Fraud type

### Treatment

- Block and reissue
- Ongoing monitor of accounts

For the eighth straight year, Bank of America was named No. 1 in the annual card issuer's identity safety scorecard analysis, rating 26 of the nation's largest credit card issuers on their capabilities to prevent, detect and resolve fraud.

— Javelin Strategy & Research, 2013

# Chip and PIN cards



## convenience

- Utilize more automatic dispensing machines (unmanned terminals)
- Cuts down on declines often experienced when using mag stripe cards

## enhanced security

- Transaction information is encoded uniquely every time
- Cardholders verify the transaction by entering their PIN instead of signing to verify the transaction

## seamless travel

- Allows for easier and faster transactions at Automatic Dispensing Machines (e.g. unmanned terminals - train stations, toll booths gasoline stations, parking garages)
- Chip & PIN cards have both magnetic stripes and chips providing international cardholders greater access to points of sale and improved acceptance around the globe

Convenience

Enhanced security

Seamless travel opportunities

# Online Pin check



Fast. Secure. Convenient.

Through BofAML innovation, cardholders can retrieve their PIN online at any time with Online PIN Check, [www.baml.com/PINCheck](http://www.baml.com/PINCheck).

## Value

allows cardholders to simply and quickly view their PIN at any time, and ensures that cardholders can activate their cards without delay upon receiving their card

### 2 simple steps:

1. Once registration is confirmed, click on the 'PIN Check' tab to get started. Enter your cards' security code and then click 'Submit'.

2. You will be transferred to the secure PIN site where your PIN will then be displayed one digit at a

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